

## Message Text

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R 302240Z MAY 74

FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

NAKHON PHANOM

CINCPAC HONOLULU

TREASURY

COGARD POLAD

XMT AMEMBASSY SUVA

UNCLAS STATE 113804

MO- 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: MAY 30 EA PRESS SUMMARY

INDOCHINA

1. AP REPORTS THAT SENATE-HOUSE CONFEREES AGREE ON  
FY 74 SUPPLEMENTAL INCLUDING 49 MILLION DOLLARS FOR  
AID TO SVN, POINTS OUT THAT PRES. HAD REQUESTED 54  
MILLION AND SENATE HAD SLASHED IT TO 15 MILLION.  
CONFEREES ALSO AGREE TO SENATE DECISION TO KNOCK OUT  
29 MILLION REQUESTED BY PRES. TO ENLARGE BASE AT DIEGO  
GARCIA (SUN).

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2. SVN MIL COMMAND SAYS MORE TANKS SEEN IN FIGHTING AT BEN CAT, NORTH OF SAIGON, THAT IS BELIEVED TO HAVE RESULTED IN ALMOST 1000 CASUALTIES IN PAST 48 HOURS. FIELD REPORTS SAY SVN RANGERS DRIVEN BACK IN ATTEMPT TO RECOVER VILLAGE NEAR BEN CAT (WP). GVN MIL SOURCES SAY COMMUNISTS APPARENTLY OVERRUN OUTPOST IN CENTRAL HIGHLANDS, ABOUT 15 MILES FROM KHMER BORDER AND 37 MILES NW OF BAN ME THUOT, THAT WAS MANNED BY LESS THAN 150 MONTAGNARD MILITIA. COMMUNISTS BUILDING ROAD NETWORK NEAR KHMER AND LAOS BORDERS HAVE OVERRUN SEVERAL GVN OUTPOSTS NEAR NEW SUPPLY CORRIDOR (REUTER SAIGON).

3. "AUTHORITATIVE" SOURCES SAY THAT "PERHAPS MILLIONS" US AID DOLLARS GOING INTO POCKETS OF SVN OFFICERS WHO COLLECT FOR SOLDIERS WHO EITHER EXIST ON PAPER ONLY OR WHO NEVER SHOWED UP FOR DUTY. ESTIMATES RANGE FROM 50,000 TO 200,000 "PHANTOMS" IN ARMED FORCE OF 1.1 MILLION. FIGURING PRIVATE'S PAY AT ABOUT 300 DOLLARS PER YEAR, AMOUNT SIPHONED OFF WOULD AMOUNT TO AT LEAST 15 MILLION ANNUALLY. HIGH-RANKING SVN OFFICER ACKNOWLEDGES THAT SOME OFFICERS UNDER INVESTIGATION INCLUDING ONE GENERAL WHO ALLEGEDLY POKETED 20,000 DOLLARS FROM SALARIES OVER FIVE-MONTH PERIOD; SAYS DISCIPLINARY ACTION TAKEN IN SOME CASES, BUT DOES NOT ELABORATE (AP, SUN).

4. RADIO AND UPI REPORT NVN AND VC WALKOUT FROM MEETING OF FOUR POWER JMT ENDING, AT LEAST TEMPORARILY, ALL DISCUSSION ON MIAS. VC AND NVN OFFICIALS SAID THEY WOULD REFUSE ATTEND ANY JMT MEETINGS UNTIL GVN RESTORED PRIVILEGES TAKEN FROM THEM LAST MONTH. US OFFICIALS HAD NO IMMEDIATE COMMENT. AP ADDS EMBASSY ISSUED STATEMENT REGRETTING OTHER SIDE'S DECISION TO BREAK OFF NEGOTS. EMB. SPOKESMAN KNEW OF NO PLANS TO CANCEL FRIDAY'S LIAISON FLIGHT TO HANOI.

5. MIL SOURCES SAY KHMER ROUGE ATTACK GKR OUTPOST SEVEN MILES SW OF PP IN NEW EFFORT TO PUT PRESSURE ON CAPITAL (AP, BALTO N-A 5/29). FOUR KILLED BY INSURGENT UNCLASSIFIED

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ROCKET THAT HIT GKR HOSPITAL AT SVAY RIENG; SEVERAL OTHER BUILDINGS DAMAGED DURING ROCKET ATTACKS OF PAST TWO DAYS (REUTER PP).

6. CDN FROM PP DESCRIBES CASE OF REFUGEE AT KOMPONG THOM WHO "ISN'T DOING SO BAD," SINCE HE HAS ADEQUATE SHELTER, LAND TO TILL, TOOLS AND ACCESS TO MEDICAL HELP. SIX MONTHS AGO HE WOULD HAVE HAD "TO LANGUISH

IN A CROWDED ROADSIDE CAMP SOMEWHERE" WITH ONLY MINIMAL HELP. DIFFERENCE IS THAT US FORMERLY GAVE VIRTUALLY NO HELP TO REFUGEES, BUT IN THIS FY IS GIVING ESTIMATED 20 MILLION DOLLARS; AND "SOURCES" PREDICT THAT UP TO 30 MILLION WILL BE USED IN FY 75. EMBASSY REFUGEE OFFICE HAS FIVE EMPLOYEES, WITH EXPERTS IN HEALTH, FARMING AND ENGINEERING. LEARNING FROM EXPERIENCE WITH CORRUPT OFFICIALS IN VN, AID HAS CONTRACTED WITH VOLAGS TO HANDLE KHMER REFUGEE RELIEF. CARE, WORLD VISION, CATHOLIC RELIEF SERVICES AND INTERNATIONAL RED CROSS GET BULK OF MONEY. GKR, WITH US ASSISTANCE,

CREATED RESETTLEMENT AND DEVELOPMENT FOUNDATION THAT HOPES TO RESETTLE 30,000 THIS SUMMER. BUT AGENCIES ARE AIDING ONLY ABOUT ONE-THIRD OF ESTIMATED 1.2 TO 2 MILLION REFUGEES; SUPPLY IS PROBLEM SINCE MAJOR CITIES ISOLATED, AND NUMBER OF HOMELESS GROWS AS FIGHTING CONTINUES (BALTO N-A 5/29).

7. AP (CSM) DESCRIBES ONCE-LUSH CAMBODIAN VILLAGE OF VEAL SBAU, RAVAGED BY WAR. BOMBS "SHREDDED" HOMES, COMMUNISTS ABDUCT OR KILL SCORES AND FANK PILFERS PROPERTY. VILLAGE IS SEVEN MILES SOUTH OF PP ON EDGE OF NO MAN'S LAND, AND REMAINING RESIDENTS, AFRAID OF BOTH SIDES, COMMUTE AT NIGHT TO ISLAND IN MEKONG FOR SAFETY. ARTICLE DESCRIBES FAMILY THAT HAS LIVED IN GRASS SHACK SINCE HOME DESTROYED, COLLECTS FRUIT AND FIREWOOD FOR MEAGER LIVELIHOOD, AND HOPES ONLY TO SURVIVE UNTIL FIGHTING STOPS.

CHINA

8. USDA OFFICIAL CONFIRMS THAT MISSION TO PRC THAT UNCLASSIFIED

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RETURNED TUESDAY REACHED AGREEMENT WITH PEKING ON PLANT SANITATION TEST FOR WHEAT SHIPMENTS TO CHINA. OFFICIAL REQUIREMENTS FOR NEW "PHYTO SANITATION" EXPORT CERTIFICATE COULD BE COMPLETED BY FRIDAY. USDA APPEARS CONFIDENT PRC WILL NOW TAKE REST OF ITS PURCHASED (AND OUTSTANDING FOR EXPORT) 19.5 MILLION BUSHELS. USDA MISSION SPENT TWO WEEKS IN PRC SEEKING EXPORT TEST THAT WOULD SATISFY CHINESE IMPORT REQUIREMENTS AND "END CHINESE SNUBBING" OF US PACIFIC NW-GROWN WHEAT CONTAINING TCK SMUT. SANITATION TEST AGREED ON IS SIMILAR TO ONE NOW USED BY CHINA, ACCORDING TO USDA OFFICIAL; IT IS NOT COMPLICATED, BUT CANNOT BE PERFORMED WITH EQUIPMENT CURRENTLY IN LABORATORIES TESTING WHEAT FOR EXPORT. USDA MARKETING AND PLANT HEALTH OFFICIALS REPORTEDLY MOVING QUICKLY TO DRAFT NEW CERTIFICATE AND

ITS TEST INSTRUCTIONS, GET NEW EQUIPMENT AT APPROPRIATE LABS AND CONSULT WITH EXPORTERS (JOC, COMMODITY NEWS SERVICE).

JAPAN

9. ON BASIS OF THREE-WEEK TRIP TO ME, EUROPE AND US, JAPAN'S INSTITUTE OF ENERGY ECONOMICS PRES. SAKISAKA PREDICTS POL PRICES TO RISE AGAIN IN "RATHER NEAR FUTURE" AND CONTINUE CLIMBING WITH WORLD INFLATION (WP).

10. CSM'S POND, IN TOKYO, NOTES THAT KEIDANREN HAS NOW "WEIGHED IN," IN CONTEST OF TITANS OVER JAPAN'S ANTI-MONOPOLY LAW, WITH LENGTHY STATEMENT EFFECTIVELY OPPOSING ANY STRENGTHENING OF ANTI-TRUST LEGISLATION. SAYS WHAT IS AT IMMEDIATE STAKE IS NOT ONLY REVISION OF 1974 ANTI-MONOPOLY LAW, BUT ALSO FIRST MAJOR PROSECUTION UNDER EXISTING LAW IN 27 YEARS; WHAT IS AT STAKE ULTIMATELY IS SOME OF BIG BUSINESS' AUTHORITY IN JAPAN'S ESTABLISHMENT -- AND CONTINUATION OF "PRESENT COZY ALLIANCE BETWEEN BUSINESS AND GOVT."

11. WSJ REPORTS THAT SONY, IN "SIGNIFICANT EXPANSION" AWAY FROM ITS JAPANESE BASE, IS PREPARING TO BEGIN MANUFACTURING COLOR-TV PICTURE TUBES IN FRANCE AND BEGIN ASSEMBLING TV SETS THROUGHOUT EUROPE. INDUSTRIAL BANK UNCLASSIFIED

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OF JAPAN STUDY SUGGESTS THAT, IN TWO YEARS, IT MAY COST MORE TO PRODUCT COLOR TV SETS IN JAPAN THAN IN US

OR OTHER ADVANCED COUNTRIES. SONY IS COMPLETING PLANT IN SAN DIEGO.

12. ACCORDING JOC'S CULLISON, IN TOKYO, MAJOR JAPANESE FIRMS PARTICIPATING IN CONSORTIUM TO CONSTRUCT FIVE HK SUBWAY LINES MAY PULL OUT OF ARRANGEMENT ENTIRELY UNLESS ABOUT 30 PER CENT CAN BE ADDED TO ORIGINAL COST CEILING OF US \$1 BILLION.

13. IN ANOTHER COLUMN, CULLISON CITES FORECAST OF STEEL INDUSTRY SPOKESMAN THAT JAPANESE STEEL EXPORTS EXPECTED TO TOTAL MORE THAN 30 MILLION TONS BY END OF FY 1974 (3/31/75), JUMP OF 14 PER CENT.

14. GOJ OPPOSES EFFORTS BY AUSTRALIAN COMMERCIAL SALVAGE TEAM TO REFLOAT JAPANESE WWII SUB SUNK BY ALLIED FORCES IN 1942 OFF AUSSIE COAST, 70 MILES NW OF DARWIN. TOKYO SOURCES SAY GOJ ASKED GOA TO DISCOURAGE OPERATION BECAUSE CRAFT IS RESTING PLACE FOR WAR DEAD (AFP, PHINQ).

(SIMILAR FROM AUSTRALIA BOSTON H-A 5/27).

AUSTRALIA

15. AS SNEDDEN ADMITS ELECTION DEFEAT AND ADVISES ALP "PROCEED WITH EXTREME CAUTION," WHITLAM PROCLAIMS TO AUSSIES: "THRUST AND CLEAR MEANING OF YOUR DECISION IS BEYOND DOUBT. YOU HAVE STRONGLY REAFFIRMED OUR PROGRAM OF 1972" (AP, CHITRIB; CSM, WP). NYT SYDNEY DISPATCH SAYS THERE IS POSSIBILITY ALP WILL HAVE 31 SENATE SEATS, GIVING IT CLEAR FIELD TO PASS ALL LEGISLATION IT HAS PROPOSED; EVEN IF IT MANAGES ONLY 30 SENATE SEATS, THIS WILL ENABLE ALP TO PUSH THROUGH SIX BILLS TWICE REJECTED BY OLD SENATE.

THAILAND

16. PRACHATHIPATHAI DAILY CALLS ON RTG TO ACT AGAINST FOREIGN SECRET AGENTS WHO, NEWSPAPER SAYS, "DANGEROUSLY UNCLASSIFIED

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THREATEN THAI SOVEREIGNTY AND SECURITY." PAPER QUOTES ARMY DEPUTY CHIEF GEN. SAMRAN, THAT AGENTS ARE CARRYING OUT ESPIONAGE ALONG BURMA BORDER AND WATCHING BURMA REBEL MOVEMENTS. PAPER CLAIMS THAILAND IS ALREADY "CONTROLLED" BY FOREIGN SOLDIERS AND THAT SECRET AGENTS ARE "HARDLY WORKING FOR THE GOOD OF OUR COUNTRY." SAME PAPER EARLIER REPORTED JAPANESE ESPIONAGE AGENTS HAD PENETRATED CHIANG MAI UNDER GUISE OF RELIGIOUS FOUNDATION, AND SAID CHIANG MAI WAS BASE FOR AGENTS FROM US, SOVIET,

TAIWAN, BURMA AND JAPAN (AFP, WP).

17. THAIS ARREST NJ MAN ON CHARGES OF POSSESSING AND TRADING HEROIN WORTH ABOUT 250,000 DOLS (AP, NYPOST 5/29).

18. SANYA, ADDRESSING 200 DEMONSTRATING FARMERS GATHERED BEFORE HIS OFFICE, PROMISES HE WILL HELP THEM RECOVER LAND SEIZED BY CORRUPT OFFICIALS AND LOAN SHARKS (AP, NYPOST 5/29).

19. UNIT OF UNION OIL CO. OF CALIF, IN PARTNERSHIP WITH JAPANESE FIRM, SAYS IT HAS DISCOVERED NATURAL GAS FLOWING AT RATE OF 1 MILLION CUBIC METERS DAILY IN TEST WELL OFF THAI COAST, 90 MILES NE OF SONG KHLA (NYDN, WSJ).

KOREA

20. NOTING NORTH-SOUTH AGREEMENT TO REOPEN TALKS

JULY 10 ON REUNION OF DIVIDED FAMILIES, NYT SEOUL DISPATCH POINTS OUT THAT WHILE THIS REPRESENTS SOME PROGRESS TOWARD RESUMPTION OF FULL-SCALE TALKS, THERE ARE BIG DIFFERENCES IN POSITIONS OF TWO SIDES. NK CONDITIONS INCLUDE DEMAND THAT ROKG HALT LEGAL ACTION AGAINST PERSONS CHARGED WITH VIOLATION OF SEOUL'S ANTI-COMMUNIST AND NATIONAL SECURITY LAWS.

21. UPI PANMUNJOM DISPATCH DESCRIBES SCENE OF 350TH UNC GATHERING CALLED THIS MONTH, THIS ONE BY NK TO COMPLAIN THAT US HELICOPTERS INTRUDED INTO THEIR AIR SPACE. MEETINGS ARE "PERIODIC EXERCISE IN ONE-UPMANSHIP," UNCLASSIFIED

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SORT OF "MIXED GRIPE SESSION" INSIDE AND "SOCIAL OUTING". SK NEWSMEN WERE MORE INTERESTED IN NORTH KOREANS' GOOSE-STEPPING AS THEY CHANGED GUARD EACH HOUR; NK CAMERAMEN SEEMED MORE FASCINATED BY LONE US NEWSMAN; JOURNALISTS MINGLE FREELY AND SPEND TIME PUMPING EACH OTHER FOR INFO AS TO WHAT'S GOING ON ON OTHER SIDE. OCCASIONALLY THEY LEAN THROUGH WINDOWS OF CONFERENCE ROOM -- "A FISH-BOWL HAPPENING, WHERE SECRETS ARE IMPOSSIBLE AND RESULTINGLY ARE NEVER TRIED". LATEST MEETING LASTED THREE HOURS, EVERYONE HAD HIS SAY, NOTHING WAS SOLVED AND ALL WENT AWAY WAITING FOR NEXT "INCIDENT" AND NEXT MEETING. "STILL, THEY DO GO ON MEETING, AND THAT IN ITSELF SPELLS SUCCESS OF A SORT FOR PANMUNJOM'S TASK OF DETENTE" (PHINQ).

INDONESIA

22. SPOKESMAN FOR SELF-STYLED GOVT. OF UNION OF "OUST CIVILIAN AND MILITARY PORTUGUESE TERRORISTS FROM TIMOR ISLAND" (AFP, WP).

COMMENT AND ANALYSIS

CHINA

23. HEARST'S KINGSBURY SMITH (BALTO N-A MAY 29) REFERS TO NOTE SOVIETS DELIVERED TO PRC EMBASSY IN MOSCOW CONCERNING CHINESE USE OF CERTAIN FRONTIER CHANNELS OVER WHICH USSR CLAIMS SOVEREIGNTY. ALTHOUGH NOTE WAS COUCHED IN SOFT LANGUAGE, WE DIPLOMATIC ANALYSIS SHOWED NOTE AS MORE OF A THREAT THAN AN OLIVE BRANCH, CONTRARY TO PUBLISHED REPORTS. TOUGH LINE BELIEVED TO HAVE BEEN PROMPTED BY PRC REFUSAL TO RETURN USSR MILITARY HELICOPTER. SMITH SAYS SITUATION MAY GIVE PEKING AN EXCUSE TO INTENSIFY WAR SCARE MAO HAS BEEN PROMOTING FOR MANY MONTHS. WHILE THERE HAS BEEN

SPECULATION IN EUROPEAN PRESS THAT SOVIET MILITARY LEADERS MAY FEEL THIS IS LAST YEAR USSR COULD RISK ATTACKING CHINA WITHOUT SUFFERING DEVASTATING NUCLEAR RETALIATION, WESTERN DIPLOMATS DOUBT SOVIET LEADERSHIP WILL ATTEMPT MAJOR INVASION OF CHINA IN FORESEEABLE UNCLASSIFIED

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FUTURE. SMITH CONCLUDES WITH REMARK: "THEY ALSO DOUBTED THAT EGYPT WOULD ATTACK ISRAEL LAST OCTOBER."

ASEAN-CHINA

24. FROM SINGAPORE, NYT'S SCHANBERG DISCUSSES PROBABLE EFFECTS OF MALAYSIAN MOVE TO RECOGNIZE PRC. THINKS IT IS CERTAIN TO INCREASE PRESSURE ON OTHER ASEAN MEMBERS TO FOLLOW SUIT, BUT TIME-TABLE FOR DOING SO REMAINS UNCLEAR BECAUSE THERE ARE HISTORIES OF MUTUAL FEAR AND SUSPICION, AS WELL AS CONTINUING AND ACTIVE COMMUNIST INSURGENCIES. MOST DIPLOMATIC OBSERVERS BELIEVE THAILAND WILL BE NEXT, FOLLOWED BY THE PHILS, WITH INDONESIA AND SINGAPORE LAST.

WHATEVER THE TIMING, NEW MALAYSIA-CHINA TIES PROVIDE SOME CLUES TO PATTERN OF PEKING'S REGIONAL DIPLOMACY AND ALSO SOME CLUES TO FUTURE OF OVERSEAS CHINESE WHO REPRESENT LOCAL RACIAL AND SECURITY PROBLEMS.

IN SINGAPORE, PROBLEMS ARE SOMEWHAT DIFFERENT, FOR CHINESE THERE ARE DOMINANT GROUP; IN OTHER ASEAN COUNTRIES THEY ARE MINORITIES.

TIME WAS WHEN PEKING REGARDED ALL CHINESE EVERYWHERE AS ITS CITIZENS, BUT MORE RECENTLY PEKING HAS MADE STATEMENTS TELLING OVERSEAS CHINESE TO BE LOYAL TO THEIR COUNTRIES OF ADOPTION. MALAYSIA APPARENTLY WON ASSURANCES THAT PRC WILL NOT USE ITS EMBASSY IN KL TO PROMOTE RIGHTS OF LOCAL CHINESE OR TAMPER WITH CHINESE ALLEGIANCES. EVEN STICKIER ISSUE AND PERHAPS ONE THAT TOOK LONGEST TO RESOLVE IS FATE OF OVER 200,000 STATELESS CHINESE. DETAILS OF AGREEMENT HAVE NOT YET BEEN MADE PUBLIC, BUT INFO LEAKED FROM KL SUGGESTS THAT PEKING HAS AGREED TO ACCEPT THEM AS CHINESE CITIZENS. HOWEVER, OTHER REPORTS SAY THEY WILL BE ALLOWED TO OBTAIN SOME KIND OF "CHINESE TRAVEL DOCUMENT" WHILE RETAINING THEIR RESIDENCE STATUS IN MALAYSIA.

STILL ANOTHER TROUBLESOME ISSUE INVOLVES INSURGENCIES IN ALL ASEAN COUNTRIES EXCEPT SINGAPORE. SOME ARE UNCLASSIFIED

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COMMUNIST-LED AS IN MALAYSIA AND THAILAND, AND SUPPORTED BY RADIO BROADCASTS FROM CHINA. SOME GOVTS. ASSERT THAT GUERRILLAS HAVE ALSO RECEIVED MATERIAL ASSISTANCE FROM CHINA, BUT NO SUPPORTING EVIDENCE PRODUCED. DIPLOMATIC OBSERVERS SPECULATE THAT EVEN AFTER EXCHANGING AMBASSADORS WITH MALAYSIA, CHINA MAY CONTINUE TO BEAM "VOICE OF THE MALAYAN REVOLUTION" FROM YUNNAN, THOUGH TONE MIGHT BE SOFTENED. CHINESE HAVE APPARENTLY TOLD MALAYSIA THAT THEIR SUPPORT FOR INSURGENCIES WAS ONLY VERBAL AND MORAL.

CHINA SEEMS TO HAVE WORKED OUT FORMULA WHEREBY SHE CAN WIDEN HER LEGITIMACY AND INFLUENCE BY ESTABLISHING RELATIONS WITH NON-COMMUNIST COUNTRIES WITHOUT APPEARING TO BETRAY CAUSE OF ASIAN REVOLUTION. ONE MOTIVE IS TO OFFSET USSR INFLUENCE AND GROWING NAVAL EXPANSION IN REGION. FOR EXAMPLE, CHINA SUPPORTS MALAYSIAN AND INDONESIAN STAND OVER MALACCA STRAIT, CLAIMING IT IS TERRITORIAL, NOT INTERNATIONAL WATERS - A POSITION CHALLENGED BY USSR.

MALAYSIA'S GAIN LIES IN HER CONFIDENT BELIEF THAT RECOGNITION OF PRC WILL CUT GROUND FROM UNDER COMMUNIST INSURGENCY AND EASE HER PROBLEMS WITH CHINESE POPULATION.

THAILAND

25. STLPD (MAY 26) VIEWS THAI DEVELOPMENTS WITH . APPREHENSION. RECALLS THAT WHEN THAI STUDENTS FORCED THANOM'S OUSTER LAST OCT., NEW CIVILIAN RULERS PROMISED CONSTITUTION AND ELECTION WITHIN 6 MONTHS. PROMISE REMAINS UNFULFILLED AND EVENTS LAST WEEK RAISED FEARS THAT IT MAY NEVER BE. IMMEDIATELY AFTER SANYA'S RESIGNATION, THE MILITARY ANNOUNCED NATIONWIDE ALERT, OSTENSIBLY TO ASSURE SECURITY. MILITARY INFLUENCE IN THAILAND IS STILL CONSIDERABLE AND RETURN TO MILITARY RULE OF CORRUPTION AND SUPPRESSION WOULD BE TRAGIC. POLITICAL PICTURE IN SEA IS DEPRESSING ENOUGH, WITH DICTATORS IN CONTROL OF NEARLY EVERY PRO-WESTERN COUNTRY AND WITH US EXTENDING GENEROUS SUPPORT TO KEEP SO-CALLED DOMINOES INTACT. IT WOULD BE REFRESHING IF

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JUST ONE OF THOSE DOMINOES THAT WASHINGTON HAS FOUGHT TO BOLSTER PRACTICES AN APPROXIMATION OF THE HUMANITARIAN PRINCIPLES DECLARED IN UN CHARTER.



AUSTRALIA

26. LAT'S LAMB IN SYDNEY (MAY 28) REPORTS THAT DRAMATIC JAPAN-AUSTRALIA TRADE GROWTH AND AUSTRALIA'S MINERAL WEALTH HAVE LED TO A CRUCIAL INTERDEPENDENCE WHICH EXTENDS BEYOND ECON CONSIDERATIONS. IN 1973, AUSTRALIA EXPORTED TO JAPAN (US) 2.8 BILLION DOLS, REPRESENTING 31 PERCENT OF AUSTRALIA'S TOTAL EXPORTS, LAYING TO REST FEARS THAT UK ENTRY INTO ECM WOULD HURT LOCAL ECONOMY. JAPAN, WHOSE INVESTMENT IN AUSTRALIA REMAINS LESS THAN THAT OF US OR UK, IS NOW AUSTRALIA'S MAJOR TRADE MARKET. AUSTRALIA IMPORTS 18 PERCENT OF ITS GOODS - OR 1.1 BILLION DOLS (US) FROM JAPAN AND RANKS BEHIND ONLY THE US AS JAPAN'S BIGGEST CUSTOMER. JAPANESE BUSINESSMEN WERE LEERY OF ALP GOVT. AND CONFUSED BY THE ILL-DEFINED NATIONALISTIC MINING AND INVESTMENT POLICIES EXPRESSED BY MINES MINISTER CONNOR. BUT IT IS UNLIKELY THAT AUSTRALIA'S RICH IRON, COAL AND BAUXITE DEPOSITS WOULD HAVE BEEN DEVELOPED SO FAST WITHOUT JAPANESE MARKET AND JAPAN'S WILLINGNESS TO NEGOTIATE LONG-TERM PURCHASE CONTRACTS.

WHITLAM DISPELLED SOME OF JAPAN'S LEERINESS WITH TOKYO VISIT LAST OCTOBER. LATER THIS YEAR, TANAKA WILL VISIT AUSTRALIA AND WILL WANT TO TALK ABOUT MINERALS. UNTIL RECENTLY, AUSTRALIA UNDERSTOOD LITTLE ABOUT JAPAN, AND THERE ARE STRONG INDICATIONS THIS IGNORANCE DID NOT ALWAYS ACHIEVE THE BEST DEALS FOR AUSTRALIA IN MINING NEGOTIATIONS. IGNORANCE IS SLOWLY DYING, HOWEVER; MAJOR

STUDY OF JAPAN-AUSTRALIA ECON RELATIONS HAS BEEN COMMISSIONED; "THE AUSTRALIAN" RECENTLY PUBLISHED 28-PAGE SUPPLEMENT DEVOTED EXCLUSIVELY TO JAPAN. IN EDITORIAL, PAPER SAYS "ALTHOUGH IT IS IMPOSSIBLE TO DENY THE MUTUAL INTERDEPENDENCE OF OUR TRADE RELATIONSHIPS, THERE ARE TOO MANY AREAS - EVEN AFTER 30 YEARS AFTER WORLD WAR II - IN WHICH WE DO NOT FULLY UNDERSTAND

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EACH OTHER, AND THE DANGER IS THAT MANY OF THESE AREAS ARE EMOTIONAL."

BURMA

27. CSM'S SOUTHERLAND IN RANGOON DOES LONG FEATURE STORY ON BURMA'S ECONOMIC PROBLEMS. REPORTS THAT DESPITE UNDERSTANDABLE WARINESS OF FOREIGN BUSINESSMEN, LURE OF BIG PROFITS HAS BURMA'S SOCIALIST GOVT. INVITING FOREIGN CAPITALISTS TO SHARE IN SEARCH OF OIL AS MEANS

TO GET COUNTRY OUT OF ECONOMIC STAGNATION.

VIETNAM

28. SUN EDITORIALIZES ON FULBRIGHT DEFEAT AND MORSE VICTORY. DESCRIBES THEM AS LEADERS OF REVOLT AGAINST VN WAR; THE MEN WHO TURNED AROUND THE SFRC AND THEN THE SENATE AND THEN THE COUNTRY, FORCING "THE JOHNSON EXECUTIVE" OUT OF OFFICE FOR ITS BLUNDERS AND PRODDING "THE NIXON EXECUTIVE" TO POLICY OF EXTRICATION FROM VN MORASS. FROM IT ALL EMERGED TRUTH THAT HAD BEEN FORGOTTEN IN RHETORIC OF WWII, KOREAN WAR AND COLD WAR: THE REALIZATION THAT CONGRESS IS NOT DOING ITS PATRIOTIC DUTY BY LINING UP OBEDIENTLY BEHIND FOREIGN ADVENTURES OF ANY PRES. ITS OBLIGATION IS TO CHECK AND BALANCE AND TO WEIGH POLICY DECISIONS IN THE COLLECTIVE JUDGMENT THAT ONLY A POWERFUL PARLIAMENT CAN MUSTER. BROWN

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